

LAUREL CIVIC ASSOCIATION, INC.
Laurel, Florida

**Independent Auditor's Report
and Financial Statements**

For the year ended June 30, 2023

TABLE OF CONTENTS

Independent Auditor's Report.....	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-10

Peacock, Ellison & French, CPAs, P.A.

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American Institute of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Laurel Civic Association, Inc.
Laurel, FL

Opinion

We have audited the accompanying financial statements of Laurel Civic Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laurel Civic Association, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Laurel Civic Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Laurel Civic Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Laurel Civic Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Laurel Civic Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Peacock Ellison & French CPAs P.A.

Peacock, Ellison & French, CPAs, P.A.
Venice, Florida
October 4, 2023

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash	\$ 184,849
Cash - restricted (Notes C & D)	<u>367,299</u>
Sub-total Cash	552,148
Grants/contracts receivable	44,052
Prepaid expenses and other assets	<u>4,164</u>
TOTAL CURRENT ASSETS	<u>600,364</u>

FIXED ASSETS

Vehicles	19,964
Furniture and equipment	64,350
Accumulated depreciation	<u>(58,510)</u>
TOTAL FIXED ASSETS	<u>25,804</u>

TOTAL ASSETS

\$ 626,168

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 19,913
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NET ASSETS

Without restriction	238,956
With donor restrictions (Note D)	<u>367,299</u>
Total Net Assets	<u>606,255</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 626,168

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Restriction	With Donor Restriction	Total
NET ASSETS:			
Revenues and support			
Contributions and foundation grants	\$ 279,771	\$ 259,004	\$ 538,775
Sarasota county HHS grant	115,060	-	115,060
Sarasota county CDBG grant	40,970	-	40,970
Donated facility use	44,207	-	44,207
Program service revenue	4,013	-	4,013
Fundraising	68,628	-	68,628
Other income	1,561	-	1,561
Released from restriction	60,332	(60,332)	-
TOTAL REVENUES AND OTHER SUPPORT	614,542	198,672	813,214
Expenses			
Program services - Adult	143,395	-	143,395
Program services - Child	193,793	-	193,793
Supporting services	168,069	-	168,069
Fundraising	92,151	-	92,151
TOTAL EXPENSES	597,408	-	597,408
INCREASE IN NET ASSETS	17,134	198,672	215,806
NET ASSETS AT BEGINNING OF YEAR	221,822	168,627	390,449
NET ASSETS AT END OF YEAR	\$ 238,956	\$ 367,299	\$ 606,255

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Adult Program Services	Child Program Services	Supporting Services	Fundraising	Totals
Salaries & wages	\$ 89,885	\$ 97,172	\$ 106,370	\$ 33,178	\$ 326,605
Payroll taxes	6,876	7,434	8,205	2,538	25,053
Contracted services	2,700	19,434	6,842	30,289	59,265
Program services and events	10,196	17,248	962	166	28,572
Facility use, donated	19,894	19,894	4,419	-	44,207
Facility & equipment, other	-	257	8,602	-	8,859
Transportation	-	1,337	661	-	1,998
Operations	5,754	20,656	5,955	4,894	37,259
Insurance	4,451	4,451	2,633	454	11,989
Professional fees	2,397	4,660	8,334	426	15,817
Fundraising event	-	-	-	10,138	10,138
Fundraising other	1,242	1,250	3,426	10,068	15,986
Depreciation	-	-	11,660	-	11,660
	<u>\$ 143,395</u>	<u>\$ 193,793</u>	<u>\$ 168,069</u>	<u>\$ 92,151</u>	<u>\$ 597,408</u>

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 215,806
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Depreciation	11,660
Increase in grant receivable	(15,759)
Decrease in prepaids and other assets	9,862
Increase in accounts payable	<u>15,471</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	237,040
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(16,967)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(16,967)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	220,073
 BEGINNING CASH	<u>332,075</u>
 ENDING CASH	<u><u>\$ 552,148</u></u>

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(See Independent Auditor's Report)

NOTE A – NATURE OF ACTIVITIES

Laurel Civic Association, Inc. (the "Organization") is a not-for-profit corporation formed under Internal Revenue Code Section 501(c)(3), located in Laurel, Florida. Our mission is "Shaping Foundations for Successful Lives" through education, social activities, providing needed support for the elderly and families, and acting as a catalyst for bringing in services that have an overall positive and permanent effect on the community and the residents. The Organization is supported primarily through public contributions, foundation grants, and grants through the Sarasota County Board of Commissioners.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

In accordance with U.S. generally accepted accounting principles (ASU 2016-14) the Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restriction: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets With Donor Restriction: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give are not included in support until such time as the conditions are substantially met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors and knowledge of donors and their characteristics. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. The Organization had no contributions receivable at June 30, 2023.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires (either using the donation for the approved purpose or by the passage of time) the contribution amount is released from net asset with donor restrictions to net assets without restriction. If a contribution with restriction is received and the restriction is met or expires in the same period, the contribution is shown without restriction in the accompanying financial statements.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the host congregations and day center facility, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,000 volunteer hours per year.

Contributed Facilities Use

Laurel Civic Association is provided space in the Sandra Sims Terry Community Center by agreement with Sarasota County Parks and Recreation Department. The agreement may be terminated by either party upon six months written notice. The value of this donated space was estimated to be 2,878 square feet at \$15.36 per square foot or \$44,207.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

The Organization capitalizes all property and equipment with a purchase cost or fair value at date of donation of \$1,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulation regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. During the fiscal year ended June 30, 2023, the Organization did not receive any donated property or equipment that met the capitalization policy. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2023, the Organization did not have any unrelated business income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support services are coded directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitor outstanding receivables. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2023, \$226,299 was over the insured level.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table represents the Organization's financial assets at June 30, 2023 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions:

Cash and cash equivalents	\$552,148
Grants/contracts receivable	44,052
Total financial assets	<u>596,200</u>
Cash with Donor Restrictions	<u>(367,299)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$228,901

The Organization receives contributions, grants/contract revenues and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

NOTE D – DONOR RESTRICTED NET ASSETS

The Organization had the following donor restricted net assets as of June 30, 2023:

Youth Empowerment Program	\$ 138,748
Scholarships	75,766
Disaster Recovery Fund	50,000
Financial Literacy/Workforce Programs	41,350
Covid Response	17,627
Teacher Salary	13,866
Holiday Food Need Program	8,000
Various initiatives (less than \$7,000 individually)	<u>21,942</u>
	<u>\$ 367,299</u>

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023
(See Independent Auditor's Report)

NOTE E – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after June 30, 2023, through October 4, 2023 (the date the financial statements were available for issuance) for potential recognition and disclosure. No items requiring disclosure were noted.